

**TOWARDS A SUSTAINABLE
DEVELOPMENT:
THE CASE OF THE
ANTOFAGASTA- CHILE REGION**

**WORKSHOP
“ ON MANAGING THE
MINERAL WEALTH “**

LONDON, AGOSTO 15-17, 2001



GENERAL PRESENTATION OF THE ANTOFAGASTA REGION

- POPULATION: 470.000
- SURFACE AREA: 126.440 KM²
- DESERT REGION (ATACAMA DESERT)
- CLIMATE EXTREMELY ARID
- DEMOGRAPHIC DENSITY : 3 PERSONS PER KM²
- COAST: 500 KM
- URBAN POPULATION : 97 %



SEGUNDA REGIÓN ANTOFAGASTA CHILE





ANTOFAGASTA: A THRIVING MINING REGION

- 7% OF THE G.D.P
- 60% OF THE REGIONAL G.D.P IS MINING
- WORLD LEADING PRODUCER OF COPPER, IODINE, LITHIUM CARBONATE, AND NITRATES
- ANNUAL EXPORTS: US\$ 4 BILLION (30% OF CHILEN EXPORTS)
- RATE OF GROWTH OF REGIONAL P.I.B IN THE LAST DECADE: 9,7%.
- PROJECTED INVESTMENT 2000-2004: US\$2.7 BILLION (US\$ 2.5 BILLION IN MINING)
- MOST COMPETITIVE REGION IN CHILE



ANTOFAGASTA: A THRIVING MINING REGION

- POVERTY: 13,2% (NATIONALLY: 21,7%)
- THE RATE OF UNEMPLOYMENT IS LOWER THAN THE NATIONALLY LEVEL
- AVERAGE MONTHLY INCOME: US\$ 550 (NATIONALLY: US\$ 404)
- INCOME DISTRIBUTION: (GINI COEFF.) 0,53 (NATIONALLY: 0,58)
- INDEX OF WORKERS TECHNICAL TRAINING= 24,6% (NATIONALLY: 9,3%)
- RANKING 4TH AMONG THE 13 REGIONS OF THE COUNTRY IN TERMS OF HUMAN DEVELOPMENT



HOW DO WE EXPLAIN THIS ECONOMIC AND SOCIAL DYNAMISM ?

- THE ANNUAL AVERAGE INVESTMENT HAS BEEN OVER US\$ 700 MILLION IN THE LAST TEN YEARS, MOSTLY IN THE MINING INDUSTRY AND PARTICULARLY IN THE MINING OF COPPER
- MODEL OF CHAINED MINING DEVELOPMENT
 - SMALL INDUSTRY
 - ELECTRIC ENERGY
 - NATURAL GAS
 - SPECIALIZED SERVICES

ANTOFAGASTA:
A THRIVING REGION.....BUT,

WITH A CRISIS IN THE FUTURE

- **PRECARIOUS QUALITY OF LIFE**
- **CRISIS OF SUSTAINABILITY**



PRECARIOUS QUALITY OF LIFE:

IN SPITE OF THE PROGRESS THERE ARE SERIOUS WEAKNESS IN:

- POOR QUALITY OF EDUCATION
- PRECARIOUS HEALTH SERVICES
- VERY INSUFFICIENT URBAN PAVING
- SHORTAGE AND POOR QUALITY OF HOUSING
- PRECARIOUS URBAN DEVELOPMENT
- WEAK REGIONAL IDENTITY
- “MINING CAMP” IMAGE OF THE CITIES
- BASIC NEEDS REQUIRE AN INVESTMENT OF US\$ 800 MILLION. THE REGIONAL GOVERNMENT INVEST US\$ 90 MILLION ANNUALLY



CRISIS OF SUSTAINABILITY

- NON-RENEWABLE MINING RESOURCES
- NON-RENEWABLE WATER RESOURCES
- WHAT IS GOING TO HAPPEN ONCE THE MINING AND WATER RESERVES ARE DEPLETED?



CONCLUSIONS

- THE CHALLENGE IS TO BUILD A BASIS FOR A SUSTAINABLE REGIONAL DEVELOPMENT
- TODAY'S EFFORTS ARE INSUFFICIENT
- SUSTAINABILITY REQUIRES THE STRENGTHENING OF CONTRIBUTION OF THE MINING PRODUCTIVE SECTOR
- INCREASING TAXES IS NOT OUR OPTION



¿ WHAT TO DO ? OUR PROPOSAL :

- STRATEGIC ALLIANCE BETWEEN THE PUBLIC SECTOR AND THE MINING PRODUCTIVE SECTOR FOR SUSTAINABLE DEVELOPMENT OF THE REGION



OUR PROPOSAL:

- THE CONTRIBUTION OF THE PUBLIC SECTOR TO THE STRATEGIC ALLIANCE:
 - STABLE AND CLEAR RULES
 - EFFICIENT ADMINISTRATION
 - COORDINATION WITH THE MINING PRODUCTIVE SECTOR

OUR PROPOSAL:

■ THE CONTRIBUTION OF THE MINING PRODUCTIVE SECTOR TO THE ALLIANCE

- EFFICIENT ADMINISTRATION

- CREATE AND ADMINISTER A REGIONAL SUSTAINABILITY FUND TO:

 - » INVEST SOCIALLY, ESPECIALLY IN HUMAN CAPITAL

 - » CONSOLIDATE A MINING-INDUSTRIAL AND SPECIALIZED SERVICES COMPLEX



THANK YOU
VERY MUCH